

Monthly Operating Report

CASE NAME:	Dhilon Inc
CASE NUMBER:	11-43267
JUDGE:	

ACCRUAL BASIS

02/13/95, RWD, 2/96

UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF TEXAS

6th DIVISION

MONTHLY OPERATING REPORT

MONTH ENDING December 2011

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I
DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING
MONTHLY OPERATING REPORT (ACCRUAL BASIS-1 THROUGH ACCRUAL BASIS-7) AND
THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE
DOCUMENTS ARE TRUE, CORRECT AND COMPLETE. DECLARATION OF THE PREPARER
(OTHER THAN RESPONSIBLE PARTY): IS BASED ON ALL INFORMATION OF WHICH
PREPARER HAS ANY KNOWLEDGE.

RESPONSIBLE PARTY:

T.D. Patel
ORIGINAL SIGNATURE OF RESPONSIBLE PARTY

McNamee
TITLE

PRINTED NAME OF RESPONSIBLE PARTY

DATE

PREPARER:

ORIGINAL SIGNATURE OF PREPARER
Samir Patel
PRINTED NAME OF PREPARER

Accountant
TITLE
DATE

Monthly Operating Report

CASE NAME: Dhilon Inc

ACCRUAL BASIS-1

CASE NUMBER:

11-43267

02/13/95, RWD, 2/96

COMPARATIVE BALANCE SHEET

ASSETS	SCHEDULE AMOUNT	MONTH	MONTH	MONTH
		Nov-11	Dec-11	Jan-12
1. UNRESTRICTED CASH	\$32,000	\$117,564	\$136,994	
2. RESTRICTED CASH				
3. TOTAL CASH	\$32,000	\$117,564	\$136,994	\$0
4. ACCOUNTS RECEIVABLE (NET)	\$76,234	\$65,000	\$43,723	
5. INVENTORY		\$0		
6. NOTES RECEIVABLE				
7. PREPAID EXPENSES				
8. OTHER (ATTACH LIST)				
9. TOTAL CURRENT ASSETS	\$108,234	\$182,564	\$180,717	\$0
10. PROPERTY, PLANT & EQUIPMENT	\$2,500,000	\$2,500,000	\$2,524,125	
11. LESS: ACCUMULATED DEPRECIATION / DEPLETION		\$0	\$0	
12. NET PROPERTY, PLANT & EQUIPMENT	\$2,500,000	\$2,500,000	\$2,524,125	\$0
13. DUE FROM INSIDERS				
14. OTHER ASSETS - NET OF AMORTIZATION (ATTACH LIST)		\$0		
15. OTHER (ATTACH LIST)	\$466,000	\$466,000	\$466,000	
16. TOTAL ASSETS	\$3,074,234	\$3,148,564	\$3,170,843	\$0
POSTPETITION LIABILITIES				
17. ACCOUNTS PAYABLE		\$32,703	\$29,754	
18. TAXES PAYABLE		\$17,111	\$16,512	
19. NOTES PAYABLE				
20. PROFESSIONAL FEES				
21. SECURED DEBT				
22. OTHER (ATTACH LIST)				
23. TOTAL POSTPETITION LIABILITIES		\$49,814	\$46,266	\$0
PREPETITION LIABILITIES				
24. SECURED DEBT	\$5,859,138	\$5,859,138	\$5,859,138	
25. PRIORITY DEBT		\$0		
26. UNSECURED DEBT	\$184,509	\$184,509	\$184,509	
27. OTHER (ATTACH LIST)		\$0		
28. TOTAL PREPETITION LIABILITIES	\$6,043,647	\$6,043,647	\$6,043,647	\$0
29. TOTAL LIABILITIES	\$6,043,647	\$6,093,461	\$6,089,913	\$0
EQUITY				
30. PREPETITION OWNERS' EQUITY		(\$2,996,222)	(\$2,996,222)	
31. POSTPETITION CUMULATIVE PROFIT OR (LOSS)		\$51,325	\$77,151	
32. DIRECT CHARGES TO EQUITY (ATTACH EXPLANATION)				
33. TOTAL EQUITY	\$0	(\$2,944,897)	(\$2,919,071)	\$0
34. TOTAL LIABILITIES & OWNERS' EQUITY	\$6,043,647	\$3,148,564	\$3,170,842	\$0

Monthly Operating Report

CASE NAME: Dhillon Inc
CASE NUMBER: 11-43267

ACCRAUL BASIS-2

02/13/95, RWD, 2/96

INCOME STATEMENT		QUARTER TOTAL		
REVENUES		Nov-11	Dec-11	Jan-12
1. GROSS REVENUES		\$161,146	\$145,316	
2. LESS: RETURNS & DISCOUNTS		\$0	\$0	\$0
3. NET REVENUE		\$161,146	\$145,316	\$0
COST OF GOODS SOLD				
4. MATERIAL				\$0
5. DIRECT LABOR				\$0
6. DIRECT OVERHEAD				\$0
7. TOTAL COST OF GOODS SOLD		\$0	\$0	\$0
8. GROSS PROFIT		\$161,146	\$145,316	\$0
OPERATING EXPENSES				
9. OFFICER / INSIDER COMPENSATION				\$0
10. SELLING & MARKETING				\$0
11. GENERAL & ADMINISTRATIVE				\$0
12. RENT & LEASE				\$0
13. OTHER (ATTACH LIST)		\$109,821	\$102,137	\$211,959
14. TOTAL OPERATING EXPENSES		\$109,821	\$102,137	\$0
15. INCOME BEFORE NON-OPERATING INCOME & EXPENSE		\$51,325	\$43,178	\$0
OTHER INCOME & EXPENSES				
16. NON-OPERATING INCOME (ATT. LIST)				
17. NON-OPERATING EXPENSE (ATT. LIST)				
18. INTEREST EXPENSE				\$0
19. DEPRECIATION / DEPLETION				\$0
20. AMORTIZATION				
21. OTHER (ATTACH LIST)				\$0
22. NET OTHER INCOME & EXPENSES		\$0	\$0	\$0
REORGANIZATION EXPENSES				
23. PROFESSIONAL FEES				\$0
24. U.S. TRUSTEE FEES				\$0
25. OTHER (ATTACH LIST)			\$17,352	
26. TOTAL REORGANIZATION EXPENSES		\$0	\$17,352	\$0
27. INCOME TAX				
28. NET PROFIT (LOSS)		\$51,325	\$25,826	\$0
				\$94,503

DHILON INC
MONTHLY OPERATING REPORT
MONTH ENDING December 2011

MOR 2
Line 13 Detail

Description	Amount
Supplies	9,746.33
Payroll	23,892.87
Payroll Taxes	1,778.41
Adv-Promotions	2,020.00
Franchise Fees	20,388.03
Credit Card Merchant Fees	5,511.73
Travel Expense	2,901.00
Management Fee	6,429.35
Pest Control	238.16
Operating Services	1,618.15
Office Supplies	451.30
Bank Charges	126.01
Insurance	2,509.86
Repairs & Maintenance	12,071.74
Utilities	7,454.30
Property Tax	5,000.00
Total	<u>102,137.24</u>

MOR 2
Line 25 Detail

Description	Amount
Protection Payment	17,352.34

Monthly Operating Report

CASE NAME: Dhilon Inc

ACCRUAL BASIS-3

CASE NUMBER:

11-43267

02/13/95, RWD, 2/96

CASH RECEIPTS AND DISBURSEMENTS	Nov-11	Dec-11	Jan-12	QUARTER TOTAL
1. CASH - BEGINNING OF MONTH	\$31,307	\$117,564		\$148,871
RECEIPTS FROM OPERATIONS				
2. CASH SALES	\$161,146	\$171,065		\$332,211
COLLECTION OF ACCOUNTS RECEIVABLE				
3. PREPETITION				\$0
4. POSTPETITION				\$0
5. TOTAL OPERATING RECEIPTS	\$161,146	\$171,065	\$0	\$332,211
NON-OPERATING RECEIPTS				
6. LOANS & ADVANCES (ATTACH LIST)		\$0	\$0	\$0
7. SALE OF ASSETS				\$0
8. OTHER (ATTACH LIST)				\$0
9. TOTAL NON-OPERATING RECEIPTS	\$0	\$0	\$0	\$0
10. TOTAL RECEIPTS	\$161,146	\$171,065	\$0	\$332,211
11. TOTAL CASH AVAILABLE	\$192,453	\$288,629	\$0	\$481,082
OPERATING DISBURSEMENTS				
12. NET PAYROLL				\$0
13. PAYROLL TAXES PAID				\$0
14. SALES, USE & OTHER TAXES PAID				\$0
15. SECURED / RENTAL / LEASES				\$0
16. UTILITIES				\$0
17. INSURANCE				\$0
18. INVENTORY PURCHASES				\$0
19. VEHICLE EXPENSES				\$0
20. TRAVEL				\$0
21. ENTERTAINMENT				\$0
22. REPAIRS & MAINTENANCE				\$0
23. SUPPLIES				\$0
24. ADVERTISING				\$0
25. OTHER (ATTACH LIST)	\$74,890	\$151,635		\$226,524
26. TOTAL OPERATING DISBURSEMENTS	\$74,890	\$151,635	\$0	\$226,524
REORGANIZATION EXPENSES				
27. PROFESSIONAL FEES				\$0
28. U.S. TRUSTEE FEES				\$0
29. OTHER (ATTACH LIST)				\$0
30. TOTAL REORGANIZATION EXPENSES	\$0	\$0	\$0	\$0
31. TOTAL DISBURSEMENTS	\$74,890	\$151,635	\$0	\$226,524
32. NET CASH FLOW	\$86,257	\$19,430	\$0	\$105,687
33. CASH - END OF MONTH	\$117,564	\$136,994	\$0	\$254,558

DHILON INC
MONTHLY OPERATING REPORT
MONTH ENDING December 2011

MOR 3
Line 25 Detail

Description	Amount
Supplies	9,746.33
Payroll	23,892.87
Payroll Tax	1,778.41
Advertisement	2,020.00
Franchise Fees	21,627.62
Credit Card Merchant Fees	5,511.73
Travel Expense	2,901.00
Management Fee	6,429.35
Pest Control	238.16
Operating Services	1,618.15
Office Supplies	451.30
Bank Charges	126.01
Insurance	2,509.86
Equipment Rental	6,454.00
Fixed Assets	24,125.30
Repairs & Maintenance	12,958.18
Utilities	6,894.16
Property Taxes	5,000.00
Mortgage Interest	17,352.34
Total	<u>151,634.77</u>

Monthly Operating Report

CASE NAME: Dhilon Inc

CASE NUMBER:

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ACCRUAL BASIS-4

02/13/95, RWD, 2/96

ACCOUNTS RECEIVABLE AGING	SCHEDULE AMOUNT	MONTH	MONTH	MONTH
		Nov-11	Dec-11	Jan-12
1. 0-30		\$65,000	\$43,723	\$0
2. 31-60				
3. 61-90				
4. 91+				
5. TOTAL ACCOUNTS RECEIVABLE	\$0	\$65,000	\$43,723	\$0
6. AMOUNT CONSIDERED UNCOLLECTIBLE				
7. ACCOUNTS RECEIVABLE (NET)	\$0	\$65,000	\$43,723	\$0

AGING OF POSTPETITION TAXES AND PAYABLES		MONTH: Dec-11			
TAXES PAYABLE	0-30 DAYS	31-60 DAYS	61-90 DAYS	91+ DAYS	TOTAL
1. FEDERAL					\$0
2. STATE					\$0
3. LOCAL					\$0
4. OTHER (ATTACH LIST)					
5. TOTAL TAXES PAYABLE	\$0	\$0	\$0	\$0	\$0
6. ACCOUNTS PAYABLE	\$0				\$0

STATUS OF POSTPETITION TAXES		MONTH: Dec-11			
	BEGINNING TAX LIABILITY*	AMOUNT WITHHELD AND/ OR ACCRUED	AMOUNT PAID	ENDING TAX LIABILITY	
FEDERAL					
1. WITHHOLDING**					\$0
2. FICA-EMPLOYEE**		\$1,778	\$1,778	\$0	
3. FICA-EMPLOYER**					\$0
4. UNEMPLOYMENT					\$0
5. INCOME					
6. OTHER (ATTACH LIST)					
7. TOTAL FEDERAL TAXES	\$0	\$1,778	\$1,778	\$0	
STATE AND LOCAL					
8. WITHHOLDING					
9. SALES	\$17,111	\$16,512	\$17,111	\$16,512	
10. EXCISE					
11. UNEMPLOYMENT					
12. REAL PROPERTY			\$5,000	\$0	
13. PERSONAL PROPERTY					
14. OTHER (ATTACH LIST)					
15. TOTAL STATE & LOCAL	\$17,111	\$16,512	\$22,111	\$16,512	
16. TOTAL TAXES	\$17,111	\$18,290	\$23,889	\$16,512	

* The beginning tax liability should represent the liability from the prior month or, if this is the first operating report, the amount should be zero.

** Attach photocopies of IRS Form 6123 or your FTD coupon and payment receipt to verify payment or deposit.

16511.59

Monthly Operating Report

CASE NAME: Dhilon Inc

ACCRUAL BASIS-5

CASE NUMBER:

11-43267

02/13/95, RWD, 2/96

The debtor in possession must complete the reconciliation below for each bank account, including all general, payroll and tax accounts, as well as all savings and investment accounts, money market accounts, certificates of deposit, government obligations, etc. Accounts with restricted funds should be identified by placing an asterisk next to the account number. Attach additional sheets if necessary.

MONTH: Dec-11

BANK RECONCILIATIONS		Account #1	Account #2	Account #3	
A. BANK:					TOTAL
B. ACCOUNT NUMBER:	See list				
C. PURPOSE (TYPE):					
1. BALANCE PER BANK STATEMENT					\$135,855
2. ADD: TOTAL DEPOSITS NOT CREDITED					\$0
3. SUBTRACT: OUTSTANDING CHECKS					\$0
4. OTHER RECONCILING ITEMS					\$0
5. MONTH END BALANCE PER BOOKS	\$0	\$0	\$0	\$0	\$135,855
6. NUMBER OF LAST CHECK WRITTEN					

Attached is Other Bank Accounts and Balances

INVESTMENT ACCOUNTS		DATE OF PURCHASE	TYPE OF INSTRUMENT	PURCHASE PRICE	CURRENT VALUE
7.					
8.					
9.					
10.					
11. TOTAL INVESTMENTS				\$0	\$0
CASH					
12. CURRENCY ON HAND					\$1,139
13. TOTAL CASH END OF MONTH					\$136,994

DHILON INC
MONTHLY OPERATING REPORT
MONTH ENDING December 2011

MOR 5

Description	Acct No	Amount
Citi Bank Payroll	4931	6,983.09
Citi Bank DIP Taxes	9995784966	470.47
Citi Bank DIP Operating	9995784915	41,715.66
Citi Bank DIP Revenue	9995784894	36,389.00
Texas National	0580082	50,296.71
Total		<u>135,854.93</u>

Monthly Operating Report

CASE NAME: Dhilon Inc
CASE NUMBER: 11-43267

ACCRUAL BASIS-6

02/13/95, RWD, 2/96

MONTH: Dec-11

PAYMENTS TO INSIDERS AND PROFESSIONALS

OF THE TOTAL DISBURSEMENTS SHOWN FOR THE MONTH, LIST THE AMOUNT PAID TO INSIDERS (AS DEFINED IN SECTION 101 (31) (A)-(F) OF THE U.S. BANKRUPTCY CODE) AND TO PROFESSIONALS. ALSO, FOR PAYMENTS TO INSIDERS, IDENTIFY THE TYPE OF COMPENSATION PAID (e.g. SALARY, BONUS, COMMISSIONS, INSURANCE, HOUSING ALLOWANCE, TRAVEL, CAR ALLOWANCE, ETC.). ATTACH ADDITIONAL SHEETS IF NECESSARY.

INSIDERS			
NAME	TYPE OF PAYMENT	AMOUNT PAID	TOTAL PAID TO DATE
1.			
2.			
3.			
4.			
5.			
6. TOTAL PAYMENTS TO INSIDERS		\$0	\$0

PROFESSIONALS					
NAME	DATE OF COURT ORDER AUTHORIZIN PAYMENT	AMOUNT APPROVED	AMOUNT PAID	TOTAL PAID TO DATE	TOTAL INCURRED & UNPAID *
1.					
2.					
3.					
4.					
5.					
6. TOTAL PAYMENTS TO PROFESSIONALS		\$0	\$0	\$0	\$0

* INCLUDE ALL FEES INCURRED, BOTH APPROVED AND UNAPPROVED

POSTPETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS

NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENTS DUE	AMOUNTS PAID DURING MONTH	TOTAL UNPAID POSTPETITION
1.			
2.			
3.			
4.			
5.			
6. TOTAL	\$0	\$0	\$0

Monthly Operating Report

CASE NAME: Dhilon Inc	
CASE NUMBER: 11-43267	

ACCRUAL BASIS-7

02/13/95, RWD, 2/96

MONTH: Dec-11

QUESTIONNAIRE

	YES	NO
1. HAVE ANY ASSETS BEEN SOLD OR TRANSFERRED OUTSIDE THE NORMAL COURSE OF BUSINESS THIS REPORTING PERIOD?		x
2. HAVE ANY FUNDS BEEN DISBURSED FROM ANY ACCOUNT OTHER THAN A DEBTOR IN POSSESSION ACCOUNT?		x
3. ARE ANY POSTPETITION RECEIVABLES (ACCOUNTS, NOTES, OR LOANS) DUE FROM RELATED PARTIES?		x
4. HAVE ANY PAYMENTS BEEN MADE ON PREPETITION LIABILITIES THIS REPORTING PERIOD?		x
5. HAVE ANY POSTPETITION LOANS BEEN RECEIVED BY THE DEBTOR FROM ANY PARTY?		x
6. ARE ANY POSTPETITION PAYROLL TAXES PAST DUE?		x
7. ARE ANY POSTPETITION STATE OR FEDERAL INCOME TAXES PAST DUE?		x
8. ARE ANY POSTPETITION REAL ESTATE TAXES PAST DUE?		x
9. ARE ANY OTHER POSTPETITION TAXES PAST DUE?		x
10. ARE ANY AMOUNTS OWED TO POSTPETITION CREDITORS DELINQUENT?		x
11. HAVE ANY PREPETITION TAXES BEEN PAID DURING THE REPORTING PERIOD?		x
12. ARE ANY WAGE PAYMENTS PAST DUE?		x

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "YES," PROVIDE A DETAILED EXPLANATION OF EACH ITEM. ATTACH ADDITIONAL SHEETS IF NECESSARY.

INSURANCE

	YES	NO
1. ARE WORKER'S COMPENSATION, GENERAL LIABILITY AND OTHER NECESSARY INSURANCE COVERAGES IN EFFECT?		x
2. ARE ALL PREMIUM PAYMENTS PAID CURRENT?		x
3. PLEASE ITEMIZE POLICIES BELOW.		

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "NO," OR IF ANY POLICIES HAVE BEEN CANCELLED OR NOT RENEWED DURING THIS REPORTING PERIOD, PROVIDE AN EXPLANATION BELOW. ATTACH ADDITIONAL SHEETS IF NECESSARY.

General Liability and Other Necessary Insurance Coverages is in Effect. We do not have Workers Comp Insurance.

INSTALLMENT PAYMENTS